GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4369
ANSWERED ON:21.04.2005
COMPETITION BETWEEN INDIAN AND CHINESE OIL COMPANIES IN INTERNATIONAL OIL MARKET
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Indian oil companies have been facing stiff competition from chinese companies abroad;

(b) if so, whether due to competition between the Indian and Chinese companies, the prices for acquiring oil and gas properties abroad have gone up manifold; and

(c) if so, the concrete steps taken by the Government in this regard?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) Acquisition of oil and gas assets is a competitive process. In this process, it is possible that Indian state owned oil companies and Chinese companies may bid for the same assets. The buyers of the assets try to secure the best value from the market at the time of offer.

(b) Participation of Chinese oil and gas companies in the same opportunity results in increased competition, which may, consequently, have some impact on the valuation of the opportunity.

(c) A joint Task Force of the Ministries of External Affairs and Petroleum & Natural Gas has been established to examine the prospects for Sino-Indian cooperation in the hydrocarbons sector.